

### **IC 6-1.1-20.3**

#### **Chapter 20.3. Distressed Political Subdivisions**

### **IC 6-1.1-20.3-1**

#### **"Circuit breaker board"**

Sec. 1. As used in this chapter, "circuit breaker board" refers to the circuit breaker relief appeal board established by section 4 of this chapter.

*As added by P.L.224-2007, SEC.36.*

### **IC 6-1.1-20.3-2**

#### **"Distressed political subdivision"**

Sec. 2. As used in this chapter, "distressed political subdivision" means a political subdivision that will have the political subdivision's property tax collections reduced by at least two percent (2%) in a calendar year as a result of the application of the credit under IC 6-1.1-20.6 for that calendar year.

*As added by P.L.224-2007, SEC.36.*

### **IC 6-1.1-20.3-3**

#### **"Political subdivision"**

Sec. 3. As used in this chapter, "political subdivision" has the meaning set forth in IC 36-1-2-13.

*As added by P.L.224-2007, SEC.36.*

### **IC 6-1.1-20.3-4**

#### **Board established; members**

Sec. 4. (a) The circuit breaker relief appeal board is established.

(b) The circuit breaker relief appeal board consists of the following members:

(1) The director of the office of management and budget or the director's designee. The director or the director's designee shall serve as chairperson of the circuit breaker relief appeal board.

(2) The commissioner of the department of local government finance or the commissioner's designee.

(3) The commissioner of the department of state revenue or the commissioner's designee.

(4) The state examiner of the state board of accounts or the state examiner's designee.

(5) The following members appointed by the governor:

(A) One (1) member appointed from nominees submitted by the Indiana Association of Cities and Towns.

(B) One (1) member appointed from nominees submitted by the Association of Indiana Counties.

(C) One (1) member appointed from nominees submitted by the Indiana Association of School Superintendents.

A member nominated and appointed under this subdivision must be an elected official of a political subdivision.

(c) The members appointed under subsection (b)(5) serve at the pleasure of the governor.

(d) Each member of the commission is entitled to reimbursement for:

- (1) traveling expenses as provided under IC 4-13-1-4; and
- (2) other expenses actually incurred in connection with the member's duties as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency.

*As added by P.L.224-2007, SEC.36.*

#### **IC 6-1.1-20.3-5**

##### **Staff; funding; contracts**

Sec. 5. (a) The department of local government finance shall provide the circuit breaker board with the staff and assistance that the circuit breaker board reasonably requires.

(b) The department of local government finance shall provide from the department's budget funding to support the circuit breaker board's duties under this chapter.

(c) The circuit breaker board may contract with accountants, financial experts, and other advisors and consultants as necessary to carry out the circuit breaker board's duties under this chapter.

*As added by P.L.224-2007, SEC.36.*

#### **IC 6-1.1-20.3-6**

##### **Petition to board; financial plan**

Sec. 6. (a) For property taxes first due and payable in 2008 and thereafter, the fiscal body of a county containing a distressed political subdivision (or the fiscal bodies of two (2) or more distressed political subdivisions acting jointly) may petition the circuit breaker board for relief as authorized under this chapter from the application of the credit under IC 6-1.1-20.6 for a calendar year.

(b) A petition under subsection (a) must include a proposed financial plan for political subdivisions in the county. The proposed financial plan must include the following:

- (1) Proposed budgets that would enable the distressed political subdivisions in the county to cease being distressed political subdivisions.
- (2) Proposed efficiencies, consolidations, cost reductions, uses of alternative or additional revenues, or other actions that would enable the distressed political subdivisions in the county to cease being distressed political subdivisions.

(c) The circuit breaker board may adopt procedures governing the timing and required content of a petition under subsection (a).

*As added by P.L.224-2007, SEC.36.*

#### **IC 6-1.1-20.3-7**

##### **Actions by board**

Sec. 7. (a) If the fiscal body of a county (or the fiscal bodies of two (2) or more distressed political subdivisions acting jointly) submits a petition under section 6 of this chapter, the circuit breaker board shall review the petition and assist in establishing a financial

plan for political subdivisions in the county.

(b) In reviewing a petition submitted under section 6 of this chapter, the circuit breaker board:

(1) shall consider:

(A) the proposed financial plan;

(B) comparisons to similarly situated political subdivisions;

(C) the existing revenue and expenditures of political subdivisions in the county; and

(D) any other factor considered relevant by the circuit breaker board; and

(2) may establish subcommittees or temporarily appoint nonvoting members to the circuit breaker board to assist in the review.

*As added by P.L.224-2007, SEC.36.*

### **IC 6-1.1-20.3-8**

#### **Relief granted board**

Sec. 8. (a) The circuit breaker board may authorize relief as provided in subsection (b) from the application of the credit under IC 6-1.1-20.6 for a calendar year if the governing body of each political subdivision in the county has adopted a resolution agreeing to the terms of the financial plan.

(b) If the conditions of subsection (a) are satisfied, the circuit breaker board may, notwithstanding IC 6-1.1-20.6, do either of the following:

(1) Increase uniformly in the county the percentage threshold (specified as a percentage of gross assessed value) at which the credit under IC 6-1.1-20.6 applies to a person's property tax liability.

(2) Provide for a uniform percentage reduction to credits otherwise provided under IC 6-1.1-20.6 in the county.

(c) If the circuit breaker board provides relief described in subsection (b) in a county, the circuit breaker board shall conduct audits and reviews as necessary to determine whether the political subdivisions in the county are abiding by the terms of the financial plan agreed to under subsection (a).

*As added by P.L.224-2007, SEC.36.*